

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton; and  
Tony Hammond

Competitive Product Prices  
Global Expedited Package Services 3 (MC2010-28)  
Negotiated Service Agreement

Docket No. CP2015-75

ORDER GRANTING MOTION FOR TEMPORARY RELIEF  
AND APPROVING MODIFICATION FIVE

(Issued September 7, 2016)

The negotiated service agreement approved in this proceeding (Existing Agreement) expired on August 31, 2016.<sup>1</sup> On September 2, 2016, the Postal Service filed a combined motion for temporary relief and notice of filing a modification

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<sup>1</sup> The referenced expiration date reflects three extensions of the original expiration date of June 14, 2016. See United States Postal Service Response to Order No. 2528 Concerning Effective Date of a Global Expedited Package Services 3 Negotiated Service Agreement, June 8, 2015, at 1; see *also* Order No. 3024, Order Approving Modification to Global Expedited Package Services 3 Negotiated Service Agreement, January 13, 2016, at 3; Order No. 3370, Order Granting Motion for Temporary Relief and Approving Modification Three, June 15, 2016, at 2; Order No. 3432, Order Granting Motion for Temporary Relief and Approving Modification Four, July 19, 2016, at 2.

(Modification Five) to the Existing Agreement.<sup>2</sup> The Postal Service states that it expects to file a successor to the Existing Agreement in a new rate docket. Motion at 2. Pending the initiation of that docket, the Postal Service requests that the Commission approve the Existing Agreement, as modified, and list it on the Mail Classification Schedule from the day after the Commission completes its review until November 30, 2016. *Id.*; *see also id.* Attachment 1 at 1.

In its Motion, the Postal Service acknowledges that the Commission has previously directed it to file motions for temporary relief at least one week prior to the expiration date of the agreement.<sup>3</sup> The Postal Service explains that it has been “negotiating for weeks with the customer concerning a successor agreement.” *Id.* at 1, n.3.

The Commission understands the complexities of contract negotiations and that negotiations can last longer than anticipated. At the same time, the Commission observes that filing motions for temporary relief less than one week prior to an agreement’s expiration date appears to be becoming a routine practice on the part of

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<sup>2</sup> Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing Modification Five to Global Expedited Package Services 3 Negotiated Service Agreement, September 2, 2016 (Motion). A redacted version of the modification appears as Attachment 1 to the Motion (Modification Five). Motion at 1, n.2. The customer and the Postal Service have executed Modification Five. *Id.* at 1. The Postal Service filed an unredacted version of Modification Five under seal and incorporated, by reference, a previous Application for Non-Public Treatment of Materials Filed Under Seal. *Id.*; *see also* Notice of United States Postal Service of Filing a Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreement and Application for Non-Public Treatment of Materials Filed Under Seal, May 22, 2015, Attachment 4.

<sup>3</sup> Motion at 1, n.3, *quoting* Docket No. CP2015-76, Order No. 3371, Order Granting Motion for Temporary Relief and Approving Modification One, June 15, 2016, at 2.

the Postal Service.<sup>4</sup> The Postal Service itself tacitly acknowledges this, stating that it is “in the process of taking steps to improve its renewal procedures for international negotiated service agreements.” Motion at 1, n.3.

The Commission has repeatedly stated that motions for temporary extensions of an agreement should be filed at least one week prior to the agreement’s expiration date.<sup>5</sup> Failure to do so may compromise the Commission’s ability to act prior to the contract’s expiration, which may inadvertently harm the Postal Service’s customers (e.g., inability to ensure continuity of previously negotiated rates).

The Commission reiterates that the dates on which contracts are scheduled to expire are known.<sup>6</sup> It is particularly concerning that the Postal Service has not provided any explanation as to why it was unable to file this Motion during the weeks it was negotiating with the customer prior to the expiration of the Existing Agreement. The Commission looks forward to the Postal Service’s improved contract renewal procedures so that motions like the instant Motion are not standard practice.

The Commission grants the Motion and approves Modification Five. Allowing the Existing Agreement to remain in effect temporarily is in the public interest and will not prejudice any person. The Existing Agreement is authorized to continue as of

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<sup>4</sup> On the same day that this Motion was filed, the Postal Service also filed motions for temporary relief in four other dockets. See Docket No. CP2015-86, Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing a Modification Three to a Global Expedited Package Services 3 Negotiated Service Agreement, September 2, 2016; Docket No. CP2015-104, Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing Modification Two to Global Expedited Package Services 3 Negotiated Service Agreement, September 2, 2016; Docket No. CP2015-105, Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing a Modification to a Global Expedited Package Services 3 Negotiated Service Agreement, September 2, 2016; Docket No. CP2015-119, Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing Modification to Global Expedited Package Services 3 Negotiated Service Agreement, September 2, 2016.

<sup>5</sup> See e.g., Docket No. CP2013-70, Order No. 3495, Order Granting Motion for Temporary Relief, September 2, 2016, at 1 n.1.

<sup>6</sup> See e.g., Docket No. CP2009-38, Order No. 1523, Order Granting Motion for Temporary Relief and Providing Guidance Regarding Future Motions for Temporary Relief, November 1, 2012, at 2.

September 8, 2016, through November 30, 2016, unless terminated earlier pursuant to contractual terms.

*It is ordered:*

1. The Motion of the United States Postal Service for Temporary Relief, filed September 2, 2016, is granted.
2. The Commission approves Modification Five, filed by the Postal Service on September 2, 2016.
3. The Mail Classification Schedule will list the Existing Agreement according to the terms set forth in Modification Five.

By the Commission.

Stacy L. Ruble  
Secretary